

SECRET**OGC HAS REVIEWED.**

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3. In connection with the [redacted] case (Journal of 6 December, Item 1), after having discussed the matter with Mr. Houston, I have informed Mr. [redacted] of Security, that Security must make the initial decision as to whether or not the Army should downgrade its report containing CIA information in this case. Mr. [redacted] has now informed me that the Army has affirmed its position and does not wish to declass the report. The Army wishes CIA concurrence in this decision. I have informed Mr. [redacted] that, if this decision is negative, it is our opinion that our material should be presented to the Board of Employee Compensation Appeals through the medium of a cleared representative on the Board so that any final determination which the Board may reach will be based on all of the evidence.

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*7 December 1954***SECRET**